

20 letters

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Phil Gramm  
Texas

United States Senate

MEMORANDUM

Date: 8/11/93

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AUG 20 1993

FEDERAL COMMUNICATIONS COMMISSION

My constituent has sent me the enclosed correspondence and I would appreciate a response which addresses his/her concerns.

Please send your response, together with the constituent's correspondence, to me at the following address:

Office of Senator Phil Gramm  
370 Russell Senate Office Building  
Washington, D.C. 20510-4302

Attention: David S. G. G.

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AUG 20 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

August 6, 1993

The Honorable Phil Gramm  
United States Senate  
Washington, DC 20510

Dear Senator Gramm:

Please accept my sincere appreciation for the time you spent with me while I was in Washington. I am requesting your assistance in the alleviation of certain onerous rules affecting small rural cable television operator's (21 homes per mile or less) defined as systems under 1,000 homes.

Specifically I am asking you to request the FCC and Chairman Quello to show flexibility and alleviate the overall onerous impact of the FCC rules in relation to rural and small cable operators.

I am respectfully requesting that the rules affecting rate regulations be made less complicated and offer the flexibility of an "E.Z." rate form to be adopted for these types of systems. The problem is the small operator does not have the staff nor money to do the job that the FCC is demanding. We cannot afford this much regulation, we will be forced out of business.

I am suggesting the following:

- \* Adapt base rate regulation alternatives reflecting the level of net income.
- \* Allow systems of 1,000 subscribers or less to eliminate price caps.
- \* Allow systems to pass through to subscribers cost associated with expansion and providing new services. In its present form, new expansion in areas of less than 21 homes per mile will come to a dead stop. We simply cannot accept negative earnings.
- \* Permit systems to base rates on bundling of service and equipment charges.
- \* Eliminate from any sample of rates, "competitive systems" which are charging

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Senator Phil Gramm  
August 6, 1993  
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artificially low prices. By the FCC staff's own admission, this is a corrupted sample. Competitive systems comprise less than 1/100 of a percent of the total of cable systems in the U.S. and yet accounts for 40+% of the overall rate making procedure.

- \* Include more small systems in the sampling used to construct benchmark rates and consider the density of their service areas in determining these rates.
- \* Finally, clarify that the customer service rules do not require the systems to maintain a local office in each community.

As an example, we have approximately 96 communities, some of which have less than 87 subscribers that require an office. We can not afford this requirement.

These suggested actions would reduce onerous regulatory burdens faced by rural cable operators and would enable us to better serve our subscribers, yet maintain the cable acts' various consumer protections.

I respectfully request that you send a letter to Chairman Quello suggesting he be more flexible in his dealing with small system operations.

I have enclosed for your review a letter which you may want to use.

Thank you again for your time. If I can be of further assistance to you in your deliberations, please feel free to call upon me.

If you do send a letter, could you please forward a copy to me for my files.

Sincerely,

  
Vincent A. King  
Chairman  
ACI Management, Inc.

SAMPLE

August 5, 1993

Mr. James Quello  
FCC  
1919 M. Street NW  
Washington, DC 20554

Dear Chairman Quello:

The cable television act (public law 102-385, SCC.3) (1n) grants the commission authority to design regulations to reduce administrative burdens and cost compliance for small systems of 1,000 subscribers or less. I would like to know then why small operators are complaining that there is no such relief? We understood that similar concerns were voiced to you at the National Cable TV Association in June.

As you know proponents of the cable television act hailed it as victory for consumers. However, rural customers will think otherwise if their cable systems are forced out of business because they could not comply with the regulations.

We would appreciate your prompt attention to this matter and look forward to reviewing your efforts to carry out this provision in good faith.

I am concerned that you may be hearing from a limited number of members of Congress on how the implementation of the cable television act is not onerous and therefore, you may have concluded that the rest of Congress is not interested in your actions. Be assured that I am very interested in the commission's activities on this issue and am available to provide to you whatever assistance and or feedback you may need.

It is my conclusion that you allow flexibility to your staff in establishing regulations and cost formulas that reflect and ease the burdens on systems of 1,000 subscribers or less.

Sincerely,